

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
EL DORADO, KANSAS**

**FINANCIAL STATEMENT
JUNE 30, 2015**

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
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BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

**Board of Education
El Dorado Unified School District No. 490
El Dorado, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **El Dorado Unified School District No. 490, El Dorado, Kansas**, as of and for the year ended **June 30, 2015** and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Board of Education
El Dorado Unified School District No. 490**

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 of the financial statement, the financial statement is prepared by **El Dorado Unified School District No. 490, El Dorado, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **El Dorado Unified School District No. 490, El Dorado, Kansas**, as of **June 30, 2015**, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **El Dorado Unified School District No. 490, El Dorado, Kansas**, as of **June 30, 2015**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, schedule of regulatory basis cash receipts and expenditures-capital projects, agency funds schedules of regulatory basis cash receipts and disbursements and district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement.

**Board of Education
El Dorado Unified School District No. 490**

The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and schedule of cash receipts and expenditures-capital projects (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which another auditor rendered an unmodified opinion dated November 6, 2014. The 2014 basic financial statement and the accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2015, on our consideration of **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control over financial reporting and compliance.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
November 18, 2015

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add		Ending Cash Balance
						Encumbrances and Accounts Payable		
General Fund	\$ 1	\$ 0	\$ 11,948,299	\$ 11,948,300	\$ 0	\$ 9,204	\$	9,204
Special Purpose Funds								
Supplemental General	276,275	2,755	3,955,800	4,120,959	113,871	358,789		472,660
At Risk (4 Year Old)	5,000	0	61,300	60,918	5,382	0		5,382
At Risk (K-12)	200,711	0	1,794,631	1,830,128	165,214	9,830		175,044
Bilingual Education	2,964	0	4,000	2,019	4,945	0		4,945
Virtual Education	1,680		3,000	0	4,680	0		4,680
Capital Outlay	1,895,399	1,830	1,148,230	832,730	2,212,729	27,800		2,240,529
Driver Training	71,058	0	21,809	13,874	78,993	0		78,993
Food Service	258,371	0	1,002,873	1,035,144	226,100	3,051		229,151
Professional Development	107,828	2	23,765	56,949	74,646	215		74,861
Summer School	29,960		46,245	52,732	23,473	0		23,473
Special Education	827,895	0	1,765,633	2,153,795	439,733	5,984		445,717
Vocational Education	85,873	0	201,557	234,728	52,702	5,895		58,597
KPERS Contribution	0	0	1,666,852	1,666,852	0	0		0
Special Education Cooperative	2,676,204	699	0	2,676,903	0	0		0
Federal Funds	4,026	0	512,668	513,002	3,692	613		4,305
Gifts and Grants	74,604	33	77,966	65,405	87,198	124		87,322
Contingency Reserve	1,166,320	0	0	0	1,166,320	0		1,166,320
Textbook & Student Material								
Revolving	176,536	0	92,122	96,041	172,617	8,391		181,008
District Activity Funds	32,166	0	207,918	201,734	38,350	0		38,350
Debt Service Funds								
Bond and Interest	3,626,404	0	4,839,850	4,069,260	4,396,994	0		4,396,994
Capital Projects	1,505,498	0	6,340	1,076,202	435,636	2,358		437,994
	<u>\$ 13,024,773</u>	<u>\$ 5,319</u>	<u>\$ 29,380,858</u>	<u>\$ 32,707,675</u>	<u>\$ 9,703,275</u>	<u>\$ 432,254</u>		<u>\$ 10,135,529</u>
Composition of Cash:								
			Checking Accounts					\$ (812,275)
			Certificates of Deposit					74,359
			Money Market Accounts					10,950,556
								10,212,640
			Agency Funds					(77,111)
								<u>\$ 10,135,529</u>

The notes to the financial statement are an integral part of this statement.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2015

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

El Dorado Unified School District No. 490 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around El Dorado, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

General Fund-The primary operating fund. Used to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds-To account for the proceeds of specific receipts (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

Capital Projects Fund-To account for the financial resources segregated for the acquisition or construction of major capital facilities and improvements.

Debt Service Fund-To account for the accumulation of resources for and the payment of, interest and principal on general long-term debt.

Agency Funds-To account for resources held in a trustee or agency capacity for others which therefore cannot be used to support the government's own programs.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2015

Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There was one amendment for the year ended June 30, 2015.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Federal Funds
Contingency Reserve Fund
District Activity Funds

Gifts and Grants Fund
Textbook & Student Material Revolving Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Note 2 - In Substance Receipt in Transit:

The District received \$871,716 subsequent to June 30, 2015, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2015.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2015

Note 3 - Defined Benefit Pension Plan:

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Ave., Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009, KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

Net Pension Liability

The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014, the net pension liability for KPERS was \$8,291,794,910. KPERS has determined the District's proportionate share of the net pension liability is \$37,130,246 as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

Note 4 - On-Behalf Payments for Fringe Benefits and Salaries:

The District recognizes as revenues and expenses contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERS) on behalf of the District's employees. For the year ended June 30, 2015, the State made contributions of \$1,666,852. These contributions are recorded in the KPERS Contribution Fund as receipts and expenditures.

Note 5 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	At Risk (4 Year Old)	At Risk (K-12)	Bilingual Education	Virtual Education	Capital Outlay	Professional Development	Summer School	Special Education	Vocational Education	Total
Transfer from: General Fund	\$ 61,300	\$ 1,792,700	\$ 4,000	\$ 3,000	\$ 250,000	\$ 20,000	\$ 46,000	\$ 1,534,278	\$ 188,019	\$ 3,899,297

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2015

Note 6 - Deposits and Investments:

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2015.

At June 30, 2015, the District's carrying amount of deposits was \$10,212,640 and the bank balance was \$11,286,569. The bank balance is held by three banks. Of the bank balance, \$588,376 was covered by depository insurance, and the remaining \$10,698,193 was collateralized with securities held by the pledging financial institution's agent in the District's name.

Note 7 - Contingencies:

Grant Programs

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

Note 8 - Subsequent Events:

The District has evaluated subsequent events through November 18, 2015, the date which the financial statement was available to be issued.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2015

Note 9 - Postemployment Benefits:

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

The District provides an early retirement program for certain eligible employees. Employees are eligible if they are (a) currently a full-time employee of the school district, (b) have met the KPERS early retirement eligibility requirements for full or partial retirement, (c) have 15 or more years of employment service with the school; district, or (d) have 35 years of service with the district.

Eligibility for early retirement will be determined by the Superintendent of Schools. An employee applying for early retirement shall have the responsibility of providing all facts and information necessary to prove eligibility for early retirement and to verify benefits to be paid. Part-time employees will be eligible for this plan based upon the following criteria. The benefit will be based upon their least full-time equivalence (FTE) during their last 5 years prior to retirement.

It is the policy of the District to record these benefits as expenditures when paid. Total expenditures under the program for the year ended June 30, 2015, was \$98,808 for former employees.

Note 10 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 11 - Reimbursed Expenses:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

Note 12 - Capital Projects:

At year-end, capital project authorization compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
New Elementary and Middle School Buildings and Other Improvements	\$36,105,000	\$35,674,076

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2015

Note 13 - Interlocal Agreements:

El Dorado Middle School Auditorium

The City of El Dorado, Kansas and Unified School District No. 490 entered into an Interlocal Agreement on January 18, 1999, involving the modernization, renovation and refurbishment of the El Dorado Middle School Auditorium. This agreement provided for the City's contribution to the project and the usage of the auditorium. The City's financial contribution to this project totaled \$250,000 and was received by the District in prior years. The District was obligated to contribute \$250,000 on or before June 30, 2003, and has fulfilled this obligation. The District is responsible for all repairs, maintenance, utilities, and insurance for the facility.

Community Facility

The District entered into an Interlocal Agreement with the City of El Dorado, Kansas on April 21, 1994, to construct, furnish, equip, maintain and operate a community educational and recreational facility. It is located immediately adjacent to and connected with the El Dorado High School building. The District has completed its payment commitment toward the facility's cost. The District is obligated to pay for the utilities servicing the facility and provide maintenance and custodial services for a period of eighteen years, beginning with the agreement date. The District is currently working on a new agreement for shared operational expenses.

Butler County Community College

On March 1, 2010, the District entered into an interlocal agreement with Butler Community College and the City of El Dorado for the creation and operation of Educational Facilities Authority of Butler County to facilitate the renovation of Blackmore Stadium and the future acquisition, lease, development, improvement, renovation, repair and operation of such other educational and athletic facilities as the Authority shall determine for the joint benefit of the College, the District, the City and members of the general public. As of the date of this report, the participants to this agreement are sharing costs for the stadium according to proportional usage by each entity.

Note 14 - Advance Refunding of Bond Obligation:

On October 1, 2007, the District issued \$10,000,000 in General Obligation Bonds with an average interest rate of 4.066%. Of the issue, \$9,708,183 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$9,165,000 of the 2005-B Series General Obligation Bonds. As a result, this portion of the 2005-B Series Bonds is considered defeased and not included in long-term debt as of June 30, 2015.

On June 1, 2012, the District issued \$7,570,000 in General Obligation Bonds with interest rates ranging from 2.00 % to 2.25%. Of the issue, \$7,628,016 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$6,640,000 of the 2005-B Series General Obligation Bonds. As a result, this portion of the 2005-B Series Bonds is considered defeased and not included in long-term debt as of June 30, 2015.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2015

Note 15 - Long-Term Debt:

Principal payments are due annually for general obligation bonds. Interest payments are due semi-annually. Principal and interest payments on the capital leases are due quarterly and annually.

Terms for long-term liabilities for the District for the year ended June 30, 2015 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2005 Series B	3.00 - 5.00	5/1/05	\$ 19,140,000	9/1/24
2007 Series	4.00 - 5.00	10/1/07	\$ 10,000,000	9/1/30
2010 Series A	2.00 - 5.00	12/30/10	\$ 3,340,000	9/1/18
2010 Series B	6.63 - 7.00	12/30/10	\$ 20,605,000	9/1/35
2010 Series C	5.67	12/30/10	\$ 12,500,000	9/1/28
2012 Series	4.00 - 5.00	6/1/12	\$ 7,570,000	9/1/24
Capital Leases				
Computer Equipment	1.90	7/13/12	\$ 428,956	7/13/15
Computer Equipment	2.35	7/15/13	\$ 575,077	7/15/16

Changes in long-term liabilities for the District for the year ended June 30, 2015 were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2005 Series B	\$ 1,025,000	\$ 0	\$ 490,000	\$ 535,000	\$ 33,150
2007 Series	9,780,000	0	35,000	9,745,000	396,542
2010 Series A	2,500,000	0	500,000	2,000,000	112,500
2010 Series B	20,605,000	0	0	20,605,000	1,421,050
2010 Series C	12,500,000	0	150,000	12,350,000	704,498
2012 Series	7,460,000	0	75,000	7,385,000	151,520
	<u>53,870,000</u>	<u>0</u>	<u>1,250,000</u>	<u>52,620,000</u>	<u>2,819,260</u>
Capital Leases					
Computer Equipment	214,440	0	106,211	108,229	4,074
Computer Equipment	426,261	0	138,800	287,461	10,017
	<u>640,701</u>	<u>0</u>	<u>245,011</u>	<u>395,690</u>	<u>14,091</u>
	<u>\$ 54,510,701</u>	<u>\$ 0</u>	<u>\$ 1,495,011</u>	<u>\$ 53,015,690</u>	<u>\$ 2,833,351</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2015

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Principal			Interest			Total Principal and Interest
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	
2016	\$ 1,350,000	\$ 250,290	\$ 1,600,290	\$ 2,759,556	\$ 8,812	\$ 2,768,368	\$ 4,368,658
2017	1,445,000	145,400	1,590,400	2,701,530	3,417	2,704,947	4,295,347
2018	1,630,000	0	1,630,000	2,644,429	0	2,644,429	4,274,429
2019	1,715,000	0	1,715,000	2,582,334	0	2,582,334	4,297,334
2020	1,845,000	0	1,845,000	2,514,070	0	2,514,070	4,359,070
2021 - 2025	10,450,000	0	10,450,000	11,393,131	0	11,393,131	21,843,131
2026 - 2030	13,120,000	0	13,120,000	8,726,167	0	8,726,167	21,846,167
2031 - 2035	16,965,000	0	16,965,000	4,513,086	0	4,513,086	21,478,086
2036 - 2040	4,100,000	0	4,100,000	143,500	0	143,500	4,243,500
	<u>\$52,620,000</u>	<u>\$ 395,690</u>	<u>\$53,015,690</u>	<u>\$37,977,803</u>	<u>\$ 12,229</u>	<u>\$37,990,032</u>	<u>\$91,005,722</u>

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Fund	Certified Budget	Adjustment to		Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
		Comply with Legal Max	Comply with				
General Fund	\$ 11,949,289	\$ (53,912)	\$	52,923	\$ 11,948,300	\$ 11,948,300	\$ 0
Special Purpose Funds							
Supplemental General	4,103,590	0	0	17,369	4,120,959	4,120,959	0
At Risk (4 Year Old)	62,780	0	0	0	62,780	60,918	(1,862)
At Risk (K-12)	1,983,418	0	0	0	1,983,418	1,830,128	(153,290)
Bilingual Education	4,890	0	0	0	4,890	2,019	(2,871)
Virtual Education	66,680	0	0	0	66,680	0	(66,680)
Capital Outlay	2,490,555	0	0	0	2,490,555	832,730	(1,657,825)
Driver Training	33,475	0	0	0	33,475	13,874	(19,601)
Food Service	1,405,000	0	0	0	1,405,000	1,035,144	(369,856)
Professional Development	99,141	0	0	0	99,141	56,949	(42,192)
Summer School	59,960	0	0	0	59,960	52,732	(7,228)
Special Education	2,330,315	0	0	0	2,330,315	2,153,795	(176,520)
Vocational Education	277,000	0	0	0	277,000	234,728	(42,272)
KPERS Contribution	2,973,727	0	0	0	2,973,727	1,666,852	(1,306,875)
Special Education Cooperative	2,926,204	0	0	0	2,926,204	2,676,903	(249,301)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	513,002	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	65,405	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material							
Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	96,041	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	201,734	XXXXXXXXXX
Debt Service Funds							
Bond and Interest	4,069,359	0	0	0	4,069,359	4,069,260	(99)
Capital Projects	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,076,202	XXXXXXXXXX
	\$ 34,835,383	\$ (53,912)	\$	70,292	\$ 34,851,763	\$ 32,707,675	\$ (4,096,472)

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>General Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 3,067,307	\$ 52,923	\$ 0	\$ 52,923
State Sources	8,687,017	11,895,376	11,719,325	176,051
	<u>11,754,324</u>	<u>11,948,299</u>	<u>\$ 11,719,325</u>	<u>\$ 228,974</u>
Expenditures				
Instruction	5,570,681	5,417,638	\$ 6,055,318	\$ (637,680)
Student Support Services	8,111	36	0	36
Instructional Support Staff	0	2,963	2,977	(14)
General Administration	0	8,423	5,000	3,423
School Administration	951,168	932,569	982,132	(49,563)
Operations & Maintenance	1,550,017	1,667,442	1,302,940	364,502
Student Transportation Services	0	19,932	0	19,932
Transfers	3,674,570	3,899,297	3,600,922	298,375
Adjustment to Comply with Legal Max	0	0	(53,912)	53,912
Adjustment for Qualifying Budget Credits	0	0	52,923	(52,923)
	<u>11,754,547</u>	<u>11,948,300</u>	<u>\$ 11,948,300</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(223)	(1)		
Unencumbered Cash, Beginning	224	1		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1</u>	<u>\$ 0</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Supplemental General Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 3,177,574	\$ 2,869,843	\$ 2,598,248	\$ 271,595
County Sources	220,475	238,647	169,929	68,718
State Sources	742,771	847,310	1,059,137	(211,827)
	<u>4,140,820</u>	<u>3,955,800</u>	<u>\$ 3,827,314</u>	<u>\$ 128,486</u>
Expenditures				
Instruction	441,351	794,666	\$ 478,347	\$ 316,319
Student Support Services	669,997	676,578	684,908	(8,330)
Instructional Support Staff	672,779	1,021,520	678,466	343,054
General Administration	349,099	406,059	343,688	62,371
School Administration	21,870	21,238	17,894	3,344
Central Services	137,925	176,783	141,042	35,741
Operations & Maintenance	721,902	600,675	721,183	(120,508)
Student Transportation Services	300,957	315,851	317,058	(1,207)
Other Supplemental Services	113,452	107,589	116,004	(8,415)
Transfers	663,330	0	605,000	(605,000)
Adjustment for Qualifying Budget Credits	0	0	17,369	(17,369)
	<u>4,092,662</u>	<u>4,120,959</u>	<u>\$ 4,120,959</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	48,158	(165,159)		
Unencumbered Cash, Beginning	222,945	276,275		
Prior Year Canceled Encumbrances	<u>5,172</u>	<u>2,755</u>		
Unencumbered Cash, Ending	<u>\$ 276,275</u>	<u>\$ 113,871</u>		

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS**

FOR THE YEAR ENDED JUNE 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>At Risk (4 Year Old) Fund</u>	<u>Current Year</u>			<u>Variance - Over (Under)</u>
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers	<u>\$ 57,690</u>	<u>\$ 61,300</u>	<u>\$ 57,780</u>	<u>\$ 3,520</u>
	<u>57,690</u>	<u>61,300</u>	<u>\$ 57,780</u>	<u>\$ 3,520</u>
Expenditures				
Instruction	<u>57,690</u>	<u>60,918</u>	<u>\$ 62,780</u>	<u>\$ (1,862)</u>
	<u>57,690</u>	<u>60,918</u>	<u>\$ 62,780</u>	<u>\$ (1,862)</u>
Receipts Over (Under) Expenditures	0	382		
Unencumbered Cash, Beginning	5,000	5,000		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 5,000</u>	<u>\$ 5,382</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>At Risk (K-12) Fund</u>	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 7,540	\$ 1,931	\$ 0	\$ 1,931
Transfers	<u>1,775,500</u>	<u>1,792,700</u>	<u>1,782,706</u>	<u>9,994</u>
	<u>1,783,040</u>	<u>1,794,631</u>	<u>\$ 1,782,706</u>	<u>\$ 11,925</u>
Expenditures				
Instruction	1,755,594	1,809,211	\$ 1,954,937	\$ (145,726)
Student Support Services	0	7,727	6,927	800
Instructional Support Staff	18,349	11,853	11,854	(1)
School Administration	1,875	585	2,000	(1,415)
Operations and Maintenance	<u>6,680</u>	<u>752</u>	<u>7,700</u>	<u>(6,948)</u>
	<u>1,782,498</u>	<u>1,830,128</u>	<u>\$ 1,983,418</u>	<u>\$ (153,290)</u>
Receipts Over (Under) Expenditures	542	(35,497)		
Unencumbered Cash, Beginning	200,000	200,711		
Prior Year Canceled Encumbrances	<u>169</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 200,711</u>	<u>\$ 165,214</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Bilingual Education Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers	\$ 0	\$ 4,000	\$ 1,926	\$ 2,074
	<u>0</u>	<u>4,000</u>	<u>\$ 1,926</u>	<u>\$ 2,074</u>
Expenditures				
Instruction	2,036	2,019	\$ 4,890	\$ (2,871)
	<u>2,036</u>	<u>2,019</u>	<u>\$ 4,890</u>	<u>\$ (2,871)</u>
Receipts Over (Under) Expenditures	(2,036)	1,981		
Unencumbered Cash, Beginning	5,000	2,964		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 2,964</u>	<u>\$ 4,945</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Virtual Education Fund</u>	<u>Current Year</u>		<u>Variance - Over (Under)</u>
	<u>Prior Year Actual</u>	<u>Actual Budget</u>	
Cash Receipts			
Transfers	<u>\$ 32,000</u>	<u>\$ 3,000</u> <u>\$ 65,000</u>	<u>\$ (62,000)</u>
	<u>32,000</u>	<u>3,000</u> <u>65,000</u>	<u>(62,000)</u>
Expenditures			
Instruction	32,000	0 \$ 65,000	\$ (65,000)
Student Support Services	0	0 1,680	(1,680)
	<u>32,000</u>	<u>0</u> <u>\$ 66,680</u>	<u>\$ (66,680)</u>
Receipts Over (Under) Expenditures	0	3,000	
Unencumbered Cash, Beginning	0	1,680	
Prior Year Canceled Encumbrances	<u>1,680</u>	<u>0</u>	
Unencumbered Cash, Ending	<u>\$ 1,680</u>	<u>\$ 4,680</u>	

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Capital Outlay Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 732,237	\$ 830,628	\$ 618,083	\$ 212,545
County Sources	46,024	49,560	35,241	14,319
State Sources	0	18,042	32,847	(14,805)
Transfers	127,411	250,000	0	250,000
	<u>905,672</u>	<u>1,148,230</u>	<u>\$ 686,171</u>	<u>\$ 462,059</u>
Expenditures				
Instruction	181,593	269,995	\$ 610,000	\$ (340,005)
Student Support Services	26,709	29,432	0	29,432
Instructional Support Services	24,330	86,383	0	86,383
Operations & Maintenance	62,552	266,879	780,555	(513,676)
Transportation	389,992	150,101	500,000	(349,899)
Facility Acquisition & Construction Services	209,288	29,940	600,000	(570,060)
	<u>894,464</u>	<u>832,730</u>	<u>\$ 2,490,555</u>	<u>\$ (1,657,825)</u>
Receipts Over (Under) Expenditures	11,208	315,500		
Unencumbered Cash, Beginning	1,871,357	1,895,399		
Prior Year Canceled Encumbrances	<u>12,834</u>	<u>1,830</u>		
Unencumbered Cash, Ending	<u>\$ 1,895,399</u>	<u>\$ 2,212,729</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Driver Training Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 18,415	\$ 16,880	\$ 0	\$ 16,880
State Sources	6,035	4,929	6,800	(1,871)
	<u>24,450</u>	<u>21,809</u>	<u>\$ 6,800</u>	<u>\$ 15,009</u>
Expenditures				
Instruction	14,199	13,857	\$ 30,475	\$ (16,618)
Vehicle Operations, Maintenance Services	1,888	17	3,000	(2,983)
	<u>16,087</u>	<u>13,874</u>	<u>\$ 33,475</u>	<u>\$ (19,601)</u>
Receipts Over (Under) Expenditures	8,363	7,935		
Unencumbered Cash, Beginning	62,695	71,058		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 71,058</u>	<u>\$ 78,993</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Food Service Fund</u>	<u>Current Year</u>			<u>Variance - Over (Under)</u>
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local Sources	\$ 326,343	\$ 312,841	\$ 721,250	\$ (408,409)
State Sources	11,068	10,976	14,920	(3,944)
Federal Sources	661,448	679,056	669,354	9,702
Transfers	973	0	0	0
	<u>999,832</u>	<u>1,002,873</u>	<u>\$ 1,405,524</u>	<u>\$ (402,651)</u>
Expenditures				
Operations & Maintenance	30,498	49,211	\$ 49,000	\$ 211
Food Service Operation	891,423	985,933	<u>1,356,000</u>	<u>(370,067)</u>
	<u>921,921</u>	<u>1,035,144</u>	<u>\$ 1,405,000</u>	<u>\$ (369,856)</u>
Receipts Over (Under) Expenditures	77,911	(32,271)		
Unencumbered Cash, Beginning	180,252	258,371		
Prior Year Canceled Encumbrances	<u>208</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 258,371</u>	<u>\$ 226,100</u>		

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS**

FOR THE YEAR ENDED JUNE 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Professional Development Fund</u>	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 2,381	\$ 3,765	\$ 2,000	\$ 1,765
Transfers	<u>50,000</u>	<u>20,000</u>	<u>0</u>	<u>20,000</u>
	<u>52,381</u>	<u>23,765</u>	<u>\$ 2,000</u>	<u>\$ 21,765</u>
Expenditures				
Instructional Support Staff	80,179	56,949	\$ 99,041	\$ (42,092)
Other Supplemental Services	<u>64</u>	<u>0</u>	<u>100</u>	<u>(100)</u>
	<u>80,243</u>	<u>56,949</u>	<u>\$ 99,141</u>	<u>\$ (42,192)</u>
Receipts Over (Under) Expenditures	(27,862)	(33,184)		
Unencumbered Cash, Beginning	123,115	107,828		
Prior Year Canceled Encumbrances	<u>12,575</u>	<u>2</u>		
Unencumbered Cash, Ending	<u>\$ 107,828</u>	<u>\$ 74,646</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Summer School Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 110	\$ 245	\$ 0	\$ 245
Transfers	31,000	46,000	30,000	16,000
	<u>31,110</u>	<u>46,245</u>	<u>\$ 30,000</u>	<u>\$ 16,245</u>
Expenditures				
Instruction	30,210	52,732	\$ 59,960	\$ (7,228)
	<u>30,210</u>	<u>52,732</u>	<u>\$ 59,960</u>	<u>\$ (7,228)</u>
Receipts Over (Under) Expenditures	900	(6,487)		
Unencumbered Cash, Beginning	29,060	29,960		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 29,960</u>	<u>\$ 23,473</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Special Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local Sources	\$ 28,176	\$ 231,355	\$ 0	\$ 231,355
Transfers	<u>2,014,726</u>	<u>1,534,278</u>	<u>2,075,292</u>	<u>(541,014)</u>
	<u>2,042,902</u>	<u>1,765,633</u>	<u>\$ 2,075,292</u>	<u>\$ (309,659)</u>
Expenditures				
Instruction	1,859,362	1,844,194	\$ 2,106,565	\$ (262,371)
Student Support Services	45,984	60,720	47,650	13,070
Operations & Maintenance	0	815	0	815
Student Transportation Services	<u>140,238</u>	<u>248,066</u>	<u>176,100</u>	<u>71,966</u>
	<u>2,045,584</u>	<u>2,153,795</u>	<u>\$ 2,330,315</u>	<u>\$ (176,520)</u>
Receipts Over (Under) Expenditures	(2,682)	(388,162)		
Unencumbered Cash, Beginning	830,577	827,895		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 827,895</u>	<u>\$ 439,733</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Vocational Education Fund</u>	Prior Year	Current Year		Variance -
	Actual	Actual	Budget	Over (Under)
Cash Receipts				
Federal Sources	\$ 12,862	\$ 13,538	\$ 0	\$ 13,538
Transfers	<u>228,600</u>	<u>188,019</u>	<u>193,218</u>	<u>(5,199)</u>
	<u>241,462</u>	<u>201,557</u>	<u>\$ 193,218</u>	<u>\$ 8,339</u>
Expenditures				
Instruction	255,559	234,728	\$ 277,000	\$ (42,272)
Instructional Support Staff	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>255,589</u>	<u>234,728</u>	<u>\$ 277,000</u>	<u>\$ (42,272)</u>
Receipts Over (Under) Expenditures	(14,127)	(33,171)		
Unencumbered Cash, Beginning	100,000	85,873		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 85,873</u>	<u>\$ 52,702</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>KPERS Contribution Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
State Sources	<u>\$ 2,655,113</u>	<u>\$ 1,666,852</u>	<u>\$ 2,973,727</u>	<u>\$ (1,306,875)</u>
	<u>2,655,113</u>	<u>1,666,852</u>	<u>\$ 2,973,727</u>	<u>\$ (1,306,875)</u>
Expenditures				
Instruction	1,915,398	1,201,800	\$ 2,040,258	\$ (838,458)
Student Support Services	358,702	225,025	389,555	(164,530)
Instructional Support Staff	57,638	36,671	75,201	(38,530)
General Administration	76,450	48,339	92,583	(44,244)
School Administration	79,659	50,006	95,721	(45,715)
Other Supplemental Services	13,282	8,334	30,162	(21,828)
Operations & Maintenance	93,977	58,340	111,961	(53,621)
Student Transportation Services	27,885	18,335	45,650	(27,315)
Food Service Operation	<u>32,122</u>	<u>20,002</u>	<u>92,636</u>	<u>(72,634)</u>
	<u>2,655,113</u>	<u>1,666,852</u>	<u>\$ 2,973,727</u>	<u>\$ (1,306,875)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS**

FOR THE YEAR ENDED JUNE 30, 2015

(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Special Education Cooperative Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 13,724,356	\$ 0	\$ 250,000	\$ (250,000)
State Sources	4,021	0	0	0
Federal Sources	3,739,129	0	0	0
Transfers	1,851,361	0	0	0
	<u>19,318,867</u>	<u>0</u>	<u>\$ 250,000</u>	<u>\$ (250,000)</u>
Expenditures				
Instruction	14,481,747	2,676,903	\$ 2,926,204	\$ (249,301)
Student Support Services	4,009,044	0	0	0
Instructional Support Staff	102,208	0	0	0
Special Area Administrative Servc	707,171	0	0	0
Operations & Maintenance	157,046	0	0	0
Student Transportation Services	66,599	0	0	0
Other Supplemental Services	80,857	0	0	0
	<u>19,604,672</u>	<u>2,676,903</u>	<u>\$ 2,926,204</u>	<u>\$ (249,301)</u>
Receipts Over (Under) Expenditures	(285,805)	(2,676,903)		
Unencumbered Cash, Beginning	2,962,009	2,676,204		
Prior Year Canceled Encumbrances	<u>0</u>	<u>699</u>		
Unencumbered Cash, Ending	<u>\$ 2,676,204</u>	<u>\$ 0</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Bond and Interest Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 2,880,601	\$ 3,358,734	\$ 2,860,301	\$ 498,433
County Sources	161,541	214,746	152,842	61,904
State Sources	141,310	147,696	147,695	1
Federal Tax Credit	1,110,231	1,118,674	1,115,331	3,343
	<u>4,293,683</u>	<u>4,839,850</u>	<u>\$ 4,276,169</u>	<u>\$ 563,681</u>
Expenditures				
Debt Service	3,926,184	4,069,260	\$ 4,069,359	\$ (99)
	<u>3,926,184</u>	<u>4,069,260</u>	<u>\$ 4,069,359</u>	<u>\$ (99)</u>
Receipts Over (Under) Expenditures	367,499	770,590		
Unencumbered Cash, Beginning	3,258,905	3,626,404		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 3,626,404</u>	<u>\$ 4,396,994</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

<u>Federal Funds</u>		Prior Year	Current Year
		<u>Actual</u>	<u>Actual</u>
Cash Receipts			
Federal Sources		<u>\$ 450,096</u>	<u>\$ 512,668</u>
		<u>450,096</u>	<u>512,668</u>
Expenditures			
Instruction		401,253	458,989
Student Support Services		1,528	38,829
Instructional Support Services		<u>48,019</u>	<u>15,184</u>
		<u>450,800</u>	<u>513,002</u>
Receipts Over (Under) Expenditures		(704)	(334)
Unencumbered Cash, Beginning		4,730	4,026
Prior Year Canceled Encumbrances		<u>0</u>	<u>0</u>
Unencumbered Cash, Ending		<u>\$ 4,026</u>	<u>\$ 3,692</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 89,297	\$ 77,966
	<u>89,297</u>	<u>77,966</u>
Expenditures		
Instruction	65,817	41,940
Other Supplemental Services	22,939	23,465
	<u>88,756</u>	<u>65,405</u>
Receipts Over (Under) Expenditures	541	12,561
Unencumbered Cash, Beginning	74,063	74,604
Prior Year Canceled Encumbrances	<u>0</u>	<u>33</u>
Unencumbered Cash, Ending	<u>\$ 74,604</u>	<u>\$ 87,198</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 20,000	\$ 0
	<u>20,000</u>	<u>0</u>
Expenditures		
Other	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	20,000	0
Unencumbered Cash, Beginning	1,146,320	1,166,320
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 1,166,320</u>	<u>\$ 1,166,320</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

Textbook & Student Material Revolving Fund

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources	\$ 91,514	\$ 92,122
	<u>91,514</u>	<u>92,122</u>
Expenditures		
Instruction	101,995	96,041
	<u>101,995</u>	<u>96,041</u>
Receipts Over (Under) Expenditures	(10,481)	(3,919)
Unencumbered Cash, Beginning	181,950	176,536
Prior Year Canceled Encumbrances	<u>5,067</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 176,536</u>	<u>\$ 172,617</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - CAPITAL PROJECTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 2,217	\$ 6,340
	<u>2,217</u>	<u>6,340</u>
Expenditures		
New Building Acquisition and Construction	312,193	2,037
Building Improvements	52,247	66,580
Contract Payments	5,251,240	677,585
Bond and Interest Mill Reduction	0	330,000
	<u>5,615,680</u>	<u>1,076,202</u>
Receipts Over (Under) Expenditures	(5,613,463)	(1,069,862)
Unencumbered Cash, Beginning	7,118,961	1,505,498
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 1,505,498</u>	<u>\$ 435,636</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
El Dorado High School				
ARAT	\$ 4,056	\$ 1,294	\$ 4,850	\$ 500
Bookworm Club	1,070	10	54	1,026
Circle of Friends	246	700	684	262
Class of 2015	2,517	483	3,000	0
Class of 2016	716	5,099	2,671	3,144
Class of 2017	458	1,282	505	1,235
Class of 2018	0	385	0	385
College Bowl	184	773	759	198
Communications Club	454	0	0	454
Crier - Ad Business	86	0	0	86
Debate Club	284	6,156	5,569	871
Earth Care Club	899	0	12	887
FCA	550	0	0	550
FCCLA	2,617	791	1,565	1,843
Forensics	354	5,738	5,363	729
Instrumental Music	62	82	144	0
Kaleidoscope	609	4,365	3,264	1,710
Kay	2,943	3,488	4,538	1,893
Math Club	273	0	0	273
Media Technology Club	250	461	416	295
National Honor Society	686	752	1,282	156
Orchestra Club	493	1,333	57	1,769
SADD	967	3,262	3,330	899
World Cultures Club	670	188	279	579
Student Council	1,313	19,347	19,625	1,035
Robotics Club	603	806	849	560
Vocal Music Club	1,756	13,246	13,505	1,497
DECA	1,815	21,129	20,511	2,433
In House Training	0	405	0	405
JAG	0	1,083	874	209
Safety Council	0	2,352	760	1,592
Art Club	0	188	102	86
Sales Tax	208	8,568	8,776	0
	<u>27,139</u>	<u>103,766</u>	<u>103,344</u>	<u>27,561</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
El Dorado Middle School				
Cheerleading	\$ 87	\$ 0	\$ 61	\$ 26
Kay	199	347	156	390
String Fling	131	1,970	1,988	113
Student Council	6,637	659	5,510	1,786
	<u>7,054</u>	<u>2,976</u>	<u>7,715</u>	<u>2,315</u>
Other				
Dr. John Horner	1,788	1	0	1,789
Wiedeman	24,264	95	0	24,359
Broers Special Education	20,659	428	0	21,087
	<u>46,711</u>	<u>524</u>	<u>0</u>	<u>47,235</u>
Total Agency Funds	<u>\$ 80,904</u>	<u>\$ 107,266</u>	<u>\$ 111,059</u>	<u>\$ 77,111</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add		Ending Cash Balance
						Encumbrances and Accounts Payable	Encumbrances	
El Dorado High School								
Gate Receipts								
Athletics - High School	\$ 9,902	\$ 0	\$ 98,030	\$ 98,978	\$ 8,954	\$ 0	\$ 0	\$ 8,954
Dramatics - High School	2,053	0	15,761	17,814	0	0	0	0
School Projects								
El Doradoan	60	0	15,216	12,761	2,515	0	0	2,515
Lillian Benson	1,854	0	0	0	1,854	0	0	1,854
Crime Stoppers	361	0	0	0	361	0	0	361
Science Olympiad	234	0	261	269	226	0	0	226
Student Services	755	0	522	754	523	0	0	523
Student Success	0	0	1,400	1,400	0	0	0	0
Lifeguard Training	0	0	630	424	206	0	0	206
	<u>15,219</u>	<u>0</u>	<u>131,820</u>	<u>132,400</u>	<u>14,639</u>	<u>0</u>	<u>0</u>	<u>14,639</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add		Ending Cash Balance
						Encumbrances and Accounts Payable	Encumbrances and Accounts Payable	
El Dorado Middle School								
School Projects								
Box Tops	\$ 577	\$ 0	\$ 0	\$ 199	\$ 378	\$ 0	\$ 0	\$ 378
Circle of Friends	306	0	159	266	199	0	0	199
Concessions	0	0	28,088	22,577	5,511	0	0	5,511
EMS Activities	3	0	8,135	5,152	2,986	0	0	2,986
EMS Scarecrow	1,274	0	165	761	678	0	0	678
Fundraiser	6,294	0	4,544	7,512	3,326	0	0	3,326
Musical	2,543	0	1,205	1,225	2,523	0	0	2,523
Pop Machines	0	0	806	0	806	0	0	806
Pride Account	0	0	175	0	175	0	0	175
Yearbook	447	0	6,227	5,546	1,128	0	0	1,128
Ticket Gate	5,503	0	26,594	26,096	6,001	0	0	6,001
	16,947	0	76,098	69,334	23,711	0	0	23,711
Total District Activity Funds	\$ 32,166	\$ 0	\$ 207,918	\$ 201,734	\$ 38,350	\$ 0	\$ 0	\$ 38,350

FEDERAL AWARD INFORMATION



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITORS' REPORT

**Board of Education
El Dorado Unified School District No. 490
El Dorado, Kansas**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **El Dorado Unified School District No. 490, El Dorado, Kansas**, as of and for the year ended **June 30, 2015**, and the related notes to the financial statement, which collectively comprise **El Dorado Unified School District No. 490, El Dorado, Kansas'** basic financial statement, and have issued our report thereon dated November 18, 2015. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Board of Education
El Dorado Unified School District No. 490**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **El Dorado Unified School District No. 490, El Dorado, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
November 18, 2015



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL
CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITORS' REPORT

Board of Education

El Dorado Unified School District No. 490

El Dorado, Kansas

Report on Compliance for Each Major Federal Program

We have audited **El Dorado Unified School District No. 490, El Dorado, Kansas'** compliance with the types of compliance requirements described in the *OMB Circular A-133, Compliance Supplement* that could have a direct and material effect on each of **El Dorado Unified School District No. 490, El Dorado, Kansas'** major federal programs for the year ended **June 30, 2015**. **El Dorado Unified School District No. 490, El Dorado, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **El Dorado Unified School District No. 490, El Dorado, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **El Dorado Unified School District No. 490, El Dorado, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **El Dorado Unified School District No. 490, El Dorado, Kansas'** compliance.

**Board of Education
El Dorado Unified School District No. 490**

Opinion on Each Major Federal Program

In our opinion, **El Dorado Unified School District No. 490, El Dorado, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2015**.

Report on Internal Control Over Compliance

Management of **El Dorado Unified School District No. 490, El Dorado, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance on each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
November 18, 2015

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Grant Title	Federal CFDA No.	Program Amount	Unencumbered		Receipts	Expenditures	Unencumbered Cash 6-30-15
				Cash 7-1-14			
(Passes Through Kansas Department of Education)							
Department of Agriculture							
Child Nutrition Cluster-Cluster							
School Breakfast Program	10.553	\$ 134,167					
National School Lunch Program	10.555	529,062					
Summer Reimbursement	10.559	15,827					
		<u>679,056</u>	<u>\$</u>	<u>0</u>	<u>\$ 679,056</u>	<u>\$ 679,056</u>	<u>\$ 0</u>
Department of Education							
Title I Grants to Local Educational Agencies	84.010	416,753		0	416,753	416,753	0
Fund for the Improvement of Education	84.215	4,026		4,026	0	334	3,692
Improving Teacher quality State Grants	84.367	95,915		0	95,915	95,915	0
		<u>516,694</u>		<u>4,026</u>	<u>512,668</u>	<u>513,002</u>	<u>3,692</u>
(Passes Through SCKESC)							
Career and Technical Education - Basic Grants to States	84.048	13,538		0	13,538	13,538	0
Total Federal Awards		<u>\$ 1,209,288</u>	<u>\$</u>	<u>4,026</u>	<u>\$ 1,205,262</u>	<u>\$ 1,205,596</u>	<u>\$ 3,692</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **El Dorado Unified School District No. 490, El Dorado, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **El Dorado Unified School District No. 490, El Dorado, Kansas**.
2. No significant deficiencies or material weaknesses were reported in the Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of **El Dorado Unified School District No. 490, El Dorado, Kansas**, were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Report Of Compliance for Each Major Program; Report On Internal Control Over Compliance; And Report on Schedule of Expenditures of Federal Awards Required By OMB Circular A-133.
5. The independent auditors' report on compliance for the major federal award programs for **El Dorado Unified School District No. 490, El Dorado, Kansas**, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **El Dorado Unified School District No. 490, El Dorado, Kansas**.
7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. **El Dorado Unified School District No. 490, El Dorado, Kansas**, was determined not to be a low-risk auditee.

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

2014-001 Lack of Segregation of Duties

Condition: Appropriate segregation of duties is achieved when one or more employees or functions acts as a check and balance on the activities of another so that no employee should be in a position to both commit an irregularity and conceal it. Due to resource constraints, these conflicting phases of transactions potentially occur through your entity at various times throughout the fiscal year. We considered this lack of segregation of duties to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

Criteria: The segregation of incompatible duties means that no employee should be in position to both commit an irregularity and conceal it. An Elected Official's Guide to Internal Controls and Fraud Prevention states that "ideally, no single individual should be able to:

- a. *authorize* a transaction;
- b. *record* the transaction in the books of account; and
- c. *ensure* custody of the asset resulting from the transaction."

In a smaller entity setting, it is very difficult to maintain ideal segregation of duties. We consider this lack of segregation of duties to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

Effect: Lack of segregation of duties aids in the possibility that errors and irregularities, whether caused by fraud or human error, will not be detected.

Recommendation: We recommend that the office staff continually review their procedures for opportunities to increase the segregation of duties in the office as well as the overall internal controls and oversight over the accounting functions in the office. We recommend the Board be aware of the importance of segregating the office duties in order to maintain a good internal control structure that will aid in the prevention and detection of errors and irregularities whether caused by fraud or human error.

Within the constraints of available resources, management should attempt to logically segregate duties among people or processes to mitigate risks and meet their financial reporting objectives.

2015 Update

This finding was not repeated for the Year Ended June 30, 2015.

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

2014-002 Financial Statement Reporting

Condition: Our firm has been asked to prepare the financial statement for the District; however, our firm cannot be considered part of the internal control structure of the District in regard to the preparation of the financial statement.

Criteria: The District prepares its financial statement in accordance with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, in accordance with the reporting and formatting requirements displayed in the *Kansas Municipal Audit and Accounting Guide(KMMAG)*.

Effect: We consider this condition related to external financial statement and other supplemental information preparation to be a significant deficiency under the standards established by the American Institute of Certified Public Accountants.

Recommendation: To strengthen internal control over financial statement preparation, we recommend:

- a. Obtain a current copy of the *Kansas Municipal Audit and Accounting Guide(KMMAG)*;
- b. Participate in a training session on financial statement preparation and review; and
- c. Adopt a policy that the annual financial statement will be reviewed prior to being subjected to audit.

2015 Update

This finding was not repeated for the Year Ended June 30, 2015.